

HOUSE BILL 4

C3

9lr0386

(PRE-FILED)

By: **Delegate Manno**

Requested: July 1, 2008

Introduced and read first time: January 14, 2009

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Small Business Health Insurance Stimulus Act**

3 FOR the purpose of altering the subsidy requirements for small employers and the
4 employees of small employers under the Small Employer Health Benefit Plan
5 Premium Subsidy Program; altering the eligibility requirements for small
6 employers under the Program; and generally relating to requirements under the
7 Small Employer Health Benefit Plan Premium Subsidy Program.

8 BY repealing and reenacting, without amendments,
9 Article – Insurance
10 Section 15–12A–01(a) and (f)
11 Annotated Code of Maryland
12 (2006 Replacement Volume and 2008 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Insurance
15 Section 15–12A–02 and 15–12A–03
16 Annotated Code of Maryland
17 (2006 Replacement Volume and 2008 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Insurance**

21 15–12A–01.

22 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (f) "Program" means the Small Employer Health Benefit Plan Premium
2 Subsidy Program.

3 15-12A-02.

4 (a) There is a Small Employer Health Benefit Plan Premium Subsidy
5 Program.

6 (b) The purposes of the Program are to:

7 (1) provide an incentive for small employers to offer and maintain a
8 small employer health benefit plan for their employees;

9 (2) help low and moderate income employees of small employers afford
10 small employer health benefit plan premiums;

11 (3) promote access to health care services, particularly preventive
12 health care services that might reduce the need for emergency room care and other
13 acute care services; and

14 (4) reduce uncompensated care in hospitals and other health care
15 settings.

16 (c) The Commission, in consultation with the Department, shall administer
17 the Program.

18 (d) The Program shall consist of subsidies, as provided under § 15-12A-03 of
19 this subtitle, for:

20 (1) small employers [that have not previously offered a small employer
21 health benefit plan to their employees]; and

22 (2) employees of small employers [that have not previously offered a
23 small employer health benefit plan to their employees].

24 (e) Funding for the Program may be provided from:

25 (1) general funds; or

26 (2) the Health Care Coverage Fund established under Title 15,
27 Subtitle 7 of the Health – General Article.

28 (f) The Commission shall adopt regulations to establish:

29 (1) the eligibility requirements for small employers under the
30 Program; and

1 (2) the level of subsidies to be provided under the Program.

2 15-12A-03.

3 (a) A small employer and the employees of the small employer shall be
4 eligible for a subsidy of small employer health benefit plan premiums if the small
5 employer:

6 (1) at the time of initial application for the subsidy:

7 (i) [has not offered a small employer health benefit plan to its
8 employees for at least 12 consecutive months;

9 (ii)] has at least two but not more than nine eligible employees;
10 and

11 [(iii)] (II) meets salary and wage requirements established by
12 the Commission;

13 (2) offers a small employer health benefit plan to its employees;

14 (3) establishes a payroll deduction plan under § 125 of the Internal
15 Revenue Code;

16 (4) agrees to offer a wellness benefit, as required by the Commission;
17 and

18 (5) meets any other requirements established by the Commission.

19 (b) A subsidy provided to a small employer under the Program:

20 (1) shall offset a portion of the small employer health benefit plan
21 premium contributions made by a small employer;

22 (2) may not exceed the lower of:

23 (i) 50% of the small employer contribution; or

24 (ii) an amount established by the Commission; and

25 (3) may be calculated on a sliding scale.

26 (c) A subsidy provided to an employee of a small employer under the
27 Program:

28 (1) shall offset a portion of the small employer health benefit plan
29 premium contributions made by an employee;

1 (2) may not exceed the lower of:

2 (i) 50% of the employee contribution; or

3 (ii) an amount established by the Commission; and

4 (3) may be calculated on a sliding scale.

5 (d) The Commission may alter the subsidy amounts provided under
6 subsections (b) and (c) of this section according to the number of employees of the
7 small employer.

8 (e) The total amount of all subsidies provided under this section shall be
9 subject to the limitations of the State budget.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2009.